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## FISCAL IMPACT REPORT

**SPONSOR** T. Garcia **ORIGINAL DATE** 2/17/07  
**LAST UPDATED** 2/27/07 **HB** 1157/aHHGAC  
**SHORT TITLE** Cerro Mutual Domestic Association Loan **SB** \_\_\_\_\_  
**ANALYST** Propst

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$75.0	Non-Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Finance and Administration (DFA)

### SUMMARY

#### Synopsis of Amendment

The amendment clarifies that the original loan was an emergency loan that is due on April 1, 2007 and adds an emergency clause.

#### Synopsis of Original Bill

House Bill 1157 appropriates \$75.0 for the Cerro Mutual Domestic Water Consumers Association to repay a loan from the State Board of Finance.

### FISCAL IMPLICATIONS

The appropriation of \$75.0 contained in this bill is a non-recurring expense to the General Fund. Any unexpended or unencumbered balance remaining at the end of FY08 shall revert to the General Fund.

### SIGNIFICANT ISSUES

DFA notes that the Cerro Mutual Domestic Water Consumers Association went to the State

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Board of Finance on September 22, 2005 to ask for a loan to build a six-inch pipeline. The original request was for \$71,939 but this was changed to \$75.0 in case the quote changed. The Cerro Mutual Domestic Water Consumers Association went with a 6-inch pipe to serve the fire department and receive a lower ISO rating. This new water line will enhance business development opportunities for the community while lowering homeowners insurance rates.

The loan was due on April 1, 2006; the plan was to request an appropriation from the 2006 Legislature to repay the loan back. The association was unsuccessful in this effort. The Cerro Mutual Domestic Water Consumers Association then asked for an extension from the State Board of Finance, the date was extended to April 2007. HB 1157 was introduced to pay off the State Board of Finance Loan due April 2007.

**TECHNICAL ISSUES**

HB 1157 does not contain an emergency clause. Therefore if the bill passes, the appropriation would not be received in time to meet the due date of the loan.

WEP/mt